

1 CALIFORNIA DEPARTMENT OF INSURANCE
2 LEGAL DIVISION

3 Mary Ann Shulman, Esq. SBN 190164
4 45 Fremont Street, 21st Floor
5 San Francisco, California 94105
6 Telephone: 415/538-4113
7 Facsimile: 415/904-5490

8 Attorneys for
9 California Department of Insurance

10 **BEFORE THE INSURANCE COMMISSIONER**
11 **OF THE STATE OF CALIFORNIA**
12 **SAN FRANCISCO**

13 In the Matter of:

CDI File No. DISP-2012-00084

14
15 TIMIOS, INC.; a Delaware corporation,

STIPULATION AND WAIVER

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17 Respondent.

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20 Respondent, TIMIOS, INC. ("TIMIOS"), and the California Department of Insurance
21 ("Department") stipulate as set forth herein:

- 22 1. Respondent, TIMIOS, domiciled in Delaware, with principal offices in California,
23 is not licensed by the Insurance Commissioner, nor has ever held a license from the Insurance
24 Commissioner, to act in any capacity regarding the transaction of the business of title insurance in
25 the State of California, including but not limited to the capacities of a title insurer, underwritten
26 title company or controlled escrow company, pursuant to California Insurance Code §§ 12340.3,
27 12340.4, 12340.5, 12340.6 and 12389.5;
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1 2. Commencing in October 2010, the Department conducted an investigation of
2 TIMIOS, pursuant to California Insurance Code §§ 700, 734, 12407 and 12924, pertaining to the
3 conduct of title and escrow business in California with various lenders and work-share and
4 administrative services agreements between TIMIOS and FIDELITY NATIONAL TITLE
5 INSURANCE COMPANY ("FIDELITY") and STEWART LENDER SERVICES
6 ("STEWART"), a subsidiary of STEWART TITLE COMPANY, to determine whether the
7 arrangements violated California insurance laws. The investigation included an examination of
8 TIMIOS'S agreements with FIDELITY and STEWART and interviews with TIMIOS officers;

10 3. On or about April 3, 2013, the Department caused to be served upon TIMIOS an
11 Order to Show Cause to Cease and Desist from the Unauthorized and Unlawful Transaction of the
12 Business of Title Insurance in the State of California ("Order to Show Cause"), denominated "In
13 the Matter of TIMIOS, INC., a Delaware corporation," File No. DISP-2012-00084, incorporated
14 herein by reference. Said Order to Show Cause alleged that, between April 2010 and April 2011,
15 TIMIOS solicited and obtained title and escrow orders from various lenders on California
16 properties in connection with purchase, refinance, and default transactions; issued closing
17 protection letters; transacted or proposed to transact any phase of title insurance, including
18 performing services in conjunction with the issuance or contemplated issuance of a title policy,
19 including but not limited to, handling escrow, settlement or closing services or the substantial
20 equivalent of such services;

23 4. TIMIOS and the Department, in order to avoid the expense, uncertainty and
24 distraction of litigation, and without TIMIOS admitting the allegations set forth herein and in the
25 Order to Show Cause referenced herein, have undertaken discussions to resolve the issues in this
26 proceeding and now wish to resolve those issues without the need for a hearing or further
27 administrative action. Therefore, by this Stipulation and Waiver, TIMIOS waives any and all
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1 rights to a hearing in this matter, and any and all other rights related to this proceeding which may
2 be accorded pursuant to Chapter 5, Part 1, Division 3, Title 2 (commencing with § 11500) of the
3 California Government Code, and by the California Insurance Code;

4 5. This Stipulation and Waiver does not constitute an admission of liability,
5 violation, wrongdoing, or of any fact alleged herein and in the Order to Show Cause by TIMIOS;
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7 6. TIMIOS agrees that it shall Cease and Desist from transacting title insurance and
8 escrow business in the State of California unless and until it obtains a license from the Insurance
9 Commissioner to do so; and,

10 7. TIMIOS agrees that it shall Cease and Desist from engaging in all activities
11 involving California properties alleged in the Order to Show Cause referenced herein, including
12 but not limited to, performing the services described in the work-share and Administrative
13 Services Agreement with FIDELITY, dated December 3, 2009, and the arrangements described in
14 the Master Services Agreement with STEWART, dated April 16, 2010; and,
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16 8. TIMIOS agrees that it shall Cease and Desist from the transaction of the business
17 of title insurance in the State of California, including but not limited to, the following activities:

- 18 a. Issuing, proposing to issue, or causing to be issued any policies of title insurance
19 covering real property located in the State of California;
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21 b. Transacting or proposing to transact any phase of title insurance in the State of
22 California, including solicitation, negotiation preliminary to execution, insuring
23 and transacting matters subsequent to the execution of a title policy and arising out
24 of such policy;
25 c. Performing any service in conjunction with the issuance or contemplated issuance
26 of a title policy for California properties, including but not limited to the handling
27 of any escrow, settlement or closing in connection therewith; or the doing of or
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1 proposing to do any business, which is in substance the equivalent of any of the
2 above;

3 d. Issuing or proposing to issue any closing protection letters or letter of
4 indemnity on behalf of a title insurer for properties located within the State
5 of California;

6 e. Receiving any money, commission, fee, rebate, payment, remuneration, or
7 any other valuable consideration whatsoever, in connection with any title
8 search, title report, title examination, certificate or abstract of title, or title
9 policy issued on California properties or performance of any escrow,
10 settlement or closing service or its substantial equivalent for California
11 properties;

12 f. Advertising or holding TIMIOS out as a title agent for title and escrow
13 services in the State of California; and,
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16 9. TIMIOS agrees to and shall pay the amount of sixty-five thousand dollars
17 (\$65,000.00) to the California Department of Insurance as a monetary penalty pursuant to
18 California Insurance Code § 12976, upon written Order of the Insurance Commissioner to be
19 made and filed herein and without further notice to TIMIOS; and,
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21 10. TIMIOS agrees to and shall pay the amount of twenty thousand dollars
22 (\$20,000.00) to the California Department of Insurance for reimbursement of attorneys fees and
23 investigative costs, pursuant to California Insurance Code § 12976, upon written Order of the
24 Insurance Commissioner to be made and filed herein and without further notice to TIMIOS; and,
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26 11. TIMIOS agrees to review and, if necessary, revise the TIMIOS website and any
27 and-all-affiliate or parent company websites within thirty (30) days of the Commissioner's order
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1 approving the Stipulation and Waiver to make clear that TIMIOS is not licensed to transact title
2 or escrow business in California; and,

3 12. This Stipulation and Waiver resolves fully the matters alleged, or arising out of
4 the allegations in File No. DISP-2012-00084; and,

5 13. Neither this Stipulation and Waiver nor the Order approving this Stipulation and
6 Waiver are in any way intended to limit or waive the Commissioner's authority to bring further
7 disciplinary action against TIMIOS for violations not covered by the Order to Show Cause or this
8 Stipulation and Waiver, whether such violations occurred prior to or subsequent to the date of this
9 Stipulation and Waiver; and,

10 14. Nothing contained in this Stipulation and Waiver or the Order approving this
11 Stipulation and Waiver shall prevent the Department from taking action at any time to enforce
12 this Stipulation and Waiver or the Order approving this Stipulation and Waiver if the Department
13 believes that TIMIOS is not in compliance with the terms and conditions of the herein Stipulation
14 and Waiver and/or the Order approving this Stipulation and Waiver; and,

15 15. The Insurance Commissioner retains jurisdiction to ensure that TIMIOS complies
16 with the provisions and terms of this Stipulation and Waiver and/or Order approving this
17 Stipulation and Waiver; and,

18 16. TIMIOS represents and warrants that the person executing this Stipulation and
19 Waiver on behalf of TIMIOS is authorized to enter into and execute this Stipulation and Waiver;
20 and,

21 17. TIMIOS acknowledges that, pursuant to California Insurance Code § 12921, this
22 Stipulation and Waiver is not final unless and until approved by the Insurance Commissioner as
23 evidenced by an Order of the Commissioner expressly adopting this Stipulation and Waiver; and
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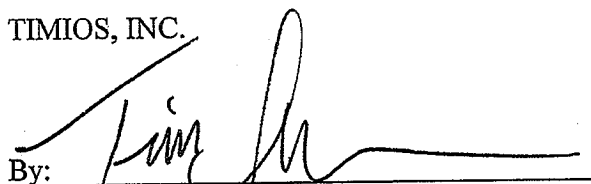
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18. This Stipulation and Waiver is a compromise within the meaning of California
Evidence code §§ 1152 and 1154.

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Dated: April 16, 2013

TIMIOS, INC.

By: 

Timothy M. Splane
Senior Vice President and General Counsel

Dated: April ___, 2013

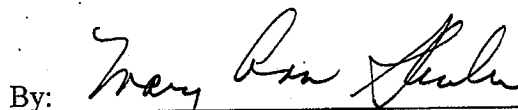
STOEL RIVES LLP

By: _____

Sean McCarthy
Attorneys for Respondent

Dated: April 23, 2013

CALIFORNIA DEPARTMENT OF INSURANCE
LEGAL DIVISION

By: 

Mary Ann Shulman
Senior Attorney

Attorneys for California Department of Insurance

18. This Stipulation and Waiver is a compromise within the meaning of California Evidence code §§ 1152 and 1154.

//

Dated: April ___, 2013

TIMIOS, INC.

By:

Timothy M. Splane

Senior Vice President and General Counsel

Dated: April 22, 2013

STOEL RIVES LLP

By:

Sean McCarthy

Attorneys for Respondent

Dated: April ____, 2013

CALIFORNIA DEPARTMENT OF INSURANCE
LEGAL DIVISION

By:

Mary Ann Shulman

Senior Attorney

Attorneys for California Department of Insurance